

Uncle Sam might as well have come to the Gulf Coast dressed in a Santa suit. Last week, Alabama's coastal economy received the much anticipated news that Mobile shipbuilder Austal USA will indeed get a share of a multi-year program to build a total of 20 littoral combat ships (LCS) for the U.S. Navy.

Last Tuesday night, the U.S. House followed the lead of the Senate in approving a short-term federal funding extension which included a special authorization for the LCS "dual buy". Under the terms of the Navy procurement plan just given a green light by Congress, Mobile's Austal and Lockheed Martin in Wisconsin will each produce up to ten of these high-tech shallow water combat ships for the Navy.

Austal USA arrived in Mobile a decade ago, and in that short time has been a key player in the transformation and resurgence of our waterfront. Beginning with a handful of employees, the company has already captured a portion of the highly competitive military shipbuilding market with its innovative, high tech, high speed vessels.

Resembling a seagoing version of a stealth fighter, Austal's first LCS, the U.S.S. Independence, was commissioned last January before a large crowd of workers, citizens and Navy brass gathered along the Mobile River. A new type of warship - both fast and highly maneuverable - Austal's LCS is a fitting symbol of the rebirth of Navy shipbuilding in Alabama's port city. The Austal-built Independence has received very positive reviews from its sea trials, and a second LCS is currently in production at Austal's module manufacturing facility located on Pinto Island.

The Navy's decision to buy both competitors' ships (a dual buy), rather than award the contract to one company as originally planned, was made possible by lower than anticipated bids in the LCS contest. As a result, each shipbuilder will offer the Pentagon up to ten of their LCS vessels while the Navy will have the benefit of both LCS designs to enhance mission capability.

The impact of the dual buy on Austal and the Mobile area economy will be significant. The \$5 billion contract is expected to double Austal's local workforce of 1,800 highly skilled jobs and also double the size of its manufacturing facility in Mobile. In short order Austal is poised to become one of Mobile's largest employers.

I would like to thank Senators Shelby and Sessions for their hard work in ensuring the LCS dual buy provision was passed by Congress in time to meet a December 30 Navy deadline.

### **Boeing Supporters Play Grinch:**

In contrast to the positive momentum of the LCS contract, supporters of Boeing in Congress donned their Grinch costumes last Tuesday in an effort to derail the ongoing Air Force tanker contest which is nearing a final decision. Boeing is competing against EADS-North America to build the new tanker aircraft for the military. If EADS wins, it will assemble its high-tech KC-45 tankers in Mobile.

Realizing that their aircraft design – which exists only on paper – is the underdog in the next generation aerial refueling tanker competition, Boeing's congressional supporters trotted out a bill last week to force the Air Force to effectively abandon the procurement process during its final hours.

Boeing supporters, under the guise of advocating a "level playing field" in the tanker contest, passed a bill calling on the Air Force to consider the impact of trade subsidies in the bids of the two competitors. The World Trade Organization has shown that Boeing and EADS have both received subsidies, but Boeing supporters are seeking to game the system by forcing the Air Force to consider only those subsidies offered to EADS in a last ditch attempt to swing the procurement pendulum in their favor.

I was personally disappointed, but not surprised, at the underhanded tactics employed by the Boeing's congressional supporters, which is in keeping with their consistent attempts to sabotage the long-delayed tanker decision. Sadly, the American warfighter is the ultimate loser should Boeing's supporters succeed in further stalling this desperately needed new refueling aircraft.

Boeing continues to wage a negative PR campaign to distort the merits of the superior EADS-North America tanker, which, unlike Boeing's offering, has already been built and tested, and is currently flying missions abroad. Boeing's congressional supporters also apparently need a geography refresher course since they claim the 48,000 jobs EADS will support in this country, including some 1,500 in Mobile, are not located in the USA.

If this tanker competition is allowed to proceed without further political influence, which it should, I believe EADS-North America and the Gulf Coast will be the ultimate winners. Boeing, as evidenced by their final hour desperation tactics, apparently agrees.

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721.